



Green Acres/Pine Estates Privatization





Why Privatize?



- **The shortage of quality affordable housing available to military service members and their families has reached a point where quality of life and, hence, recruitment, retention and readiness are at risk.**
 - **More than 38 percent of Air Force owned and operated family housing does not meet modern standards and requires either major improvement or replacement.**
- **The Military Housing Privatization Initiative (MHPI) in the 1996 National Defense Authorization Act offered new authorities to address DoD housing needs by utilizing privately financed and privately built housing constructed to market standards.**



Why Privatize?



- **Approximately 40% of Air Force families live on base**
- **104,000 Air Force family housing units**
 - **Average age is 32 years**
 - **40,000 inadequate**
 - **Cost to fix using MILCON: > \$5.6 Billion**
 - **Time to fix: 12 years with current funding and no privatization**



What Is Privatization?



- **Privatization seeks to place the cost burden of construction, renovation, maintenance and management of military family housing in the private sector**
 - **Private sector efficiencies result in an average of 12:1 leverage over MILCON**
- **Air Force transfers ownership of housing to private, competitively selected developer along with 50 year ground lease**
- **Developer renovates/constructs housing units to market standards**
- **Military members sign leases with developer**
- **Air Force sets parameters of management of housing via an operating agreement**



How Will Privatization Affect You?



- You become a tenant under an Air Force approved rental agreement
 - No security deposit if you pay by allotment
 - Military clause to cover PCS's during term of the lease
 - Your rent is your BAH
 - Rent will include utilities until all units are metered
 - Houses will be metered for electricity and natural gas
 - After all units are metered rent equals BAH minus an amount to cover 110% of estimated average utility charges for a designated unit type
 - Members will be responsible to pay their own electric and natural gas bills either to the developer or supplier
 - Water, sewer service, and trash removal are provided at no cost
 - A resident could have "out of pocket expenses" if they exceed the "110% allowance"
 - If they use less than the allowance, they pocket the difference
- Maintenance a developer responsibility—you call them
- You do not have to sign a lease—you may move off-base at Air Force expense



What Are We Asking For?



- Refurbish kitchens
- Refurbish bathrooms
- Insulate and finish garages
- Replace heat pumps with high efficiency split system heat pump
- Construct new exterior storage/expand patio
- Replace/install chain link fence
- Install privacy screening between units



What Are We Asking For?



- Construct covered entries
- Programmable thermostats
- Built-in microwave ovens
- Ceiling fans with light fixtures
- Overhead lighting in all rooms, switched at the entry door



Questions?